

United States District Court
Southern District of New York

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DOC #:

DATE FILED: 12/21/07

MEMORANDUM

Alpha Capital Anstalt,

Plaintiff,

vs.

Silver Dragon Resources, Inc.,

Defendant.

Order To Show Cause

07cv11430 (cm)

-----X

Upon the annexed affirmation of Konrad Ackermann, declared under penalties of perjury on December 19, 2007 and upon the summons and complaint and upon all prior pleadings and proceedings heretofore had herein;

Let Defendant Silver Dragon Resources, Inc. ("SDRG") show cause before Hon. Coleman in Courtroom 21B at the Courthouse located at 500 Pearl Street, New York, New York 10007 on the 9 day of January, 2008 at 10 AM or as soon thereafter as counsel can be heard why an order pursuant to Fed. R. Civ. P. Rule 65 should not be entered:

i) directing SDRG to deliver immediately 333,333 shares of its common stock to Alpha Capital; and

ii) declaring that the exercise price of the SDRG Class A and Class B Warrants purchased by Alpha Capital has been reduced to \$0.60 per share.

Sufficient cause appearing therefore, it is

Ordered that answering papers, if any, must be served on Kenneth A. Zitter, Esq., 260
 Madison Avenue, 18th Floor, New York, New York 10016 at ~~least three days prior to the return~~ *by 5 pm on January 4, 2008*
~~date hereof~~, and it is further,

Ordered that service of the order to show cause, together with the papers upon which it is
 based upon Defendant Silver Dragon Resources, Inc. by overnight federal express, at its principal
 place of business located at 5160 Yonge Street, Suite 803, Toronto A6 M2N 6L9, Ontario,
 Canada, att: Mr. Marc M. Hazout, President, such mailing to take place on or before the ~~27th~~ *27th* day of
 December, 2007, be deemed good and sufficient service.

Dated: New York, New York
 December 24, 2007

*if this order to show
 cause is sent prior to December 26, 2007, it will
 immediately become void and
 of no effect - in other words,
 do not go thru to Federal
 Express before
 Christmas*

ENTER:

[Signature]
 U.S.D.J.

*or I
 will
 not
 hear
 the
 matter
 until
 March.*

*Counsel asked the court for the
 2 week of January 7, and ~~it~~ nothing
 in the papers suggests that this motion
 needed to be filed the last business day before Christmas -
 it could have been filed at any time from and after
 November 2, 2007!*